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C O N F I D E N T I A L SECTION 01 OF 03 PRAGUE 000103

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TAGS: [PREL](#) [ECON](#) [PGOV](#) [EUN](#) [EZ](#)  
SUBJECT: CZECH REPUBLIC: AGAINST THE EU CONSTITUTION, WANTS  
TO "REMOVE BARRIERS" DURING 2009 EU PRESIDENCY

Classified By: Pol-Econ Counselor Mike Dodman for  
Reasons 1.4 B & D

¶1. (SBU) SUMMARY: Sparked by the January 26 visit of Germany Prime Minister Angela Merkel, several prominent Czech politicians -- with President Klaus in the lead -- have made strong statements against reviving the EU constitution. The renewed debate is illuminating divisions within the governing coalition that includes both the euro-skeptic ODS and the euro-enthusiastic Greens. The debate comes as the new government is finally starting to focus on the 2009 Czech EU Presidency, setting up a coordinating team and designing a theme that will revolve around "removing barriers." END  
SUMMARY

-- MERKEL VISIT & THE EU CONSTITUTION --

¶2. (SBU) The Czech Republic has yet to hold a vote on the EU Constitution. The previous government had not been able to agree on the timing or modalities of a decision prior to the defeats in France and the Netherlands, and the process has been on ice since then. However a government shift that coincided with the German EU Presidency's effort to revive the debate over the Constitution means that the nature of the debate has changed. Instead of a pro-European government led by the Social Democrats, the Czechs now have a government led by the Civic Democrats (ODS), a party whose rhetoric, if not always its actions, have been skeptical of European integration.

¶3. (C) German Chancellor Merkel's brief January 26 visit to Prague, designed solely to discuss the Constitution, forced the new government to confront the issue. The visit gave the euro-skeptic President Klaus a platform to restate his well-known position against the Constitution. The German Embassy reports that Merkel had no intention of trying to convince Klaus to moderate his views on the Constitution or EU integration overall, but rather wanted to have a dialogue and take the pulse. PM Topolaneck's comments after his meeting with Merkel, while still cool to the idea of reviving the existing document, were nonetheless noticeably softer than Klaus's, and in that respect he better reflects the stance of ODS's core business constituents who do not want to see a political dispute harm the economic benefits of closer integration. Unfortunately, the rise in rhetoric coming from Prague has drawn attention elsewhere in Europe, and the past week has seen a war of words develop between ODS and German MEP Jo Leinen who has accused the Czech President of acting contrary to the country's interests.

¶4. (SBU) The Constitution debate is also driving a wedge between ODS and its junior coalition partner, the Greens. Topolaneck has appointed Czech MEP Jan Zahradil (ODS) as the nation's "sherpa" on EU constitution talks, and on January 29, Zahradil stated that "I am here to find a constructive outcome, but at the same time I am not ready to agree to

everything that the German presidency is proposing." In reaction, Deputy Prime Minister Martin Bursik (Greens), during a February 1 visit to Brussels, complained that Zahradil's position does not represent the official position of the Czech Republic -- because, in fact, the government has not yet been able to decide on an official position. In addition to problems within the coalition, the opposition CSSD has seized on the EU Constitution as a means to discredit the Topolaneck government, and proposes to debate this during a special session of parliament on February 7. While the government will likely be able to block this, it merely highlights the fact that the Topolaneck government has not been able to come up with a coherent and defensible position on the Constitution.

15. (C) Below the level of public debate and posturing, the MFA Director of EU Coordination and Institutions, Dr. Radek Pech, told us January 24 that the Czechs would seek to avoid a repeat of the inter-governmental conference on the Constitution, lamenting that the Constitution commentary process was not very democratic and seemed to be manipulated by the chairman. He also noted that participation by Parliamentarians resulted in lengthy and counter-productive speech-making. Pech said that the Czechs would prefer a more "transparent" consultation mechanism and would not/not support the use of the term "constitution" in future texts. Instead, the Czechs have been referring to the issue as the "institutional framework for the EU."

-- INTER-GOVERNMENTAL COORDINATION --

16. (SBU) As it struggles with the question of the EU Constitution, the new government is also trying to set up a new system to deal with EU issues, driven by the need to

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begin active preparations for the Czech EU Presidency that will start in January 2009. The Topolaneck government for the first time has established the position Deputy Prime Minister for EU Affairs. According to Pech, the new office will replace the existing inter-governmental coordination mechanism that met weekly at the deputy minister-level. Pech said the MFA welcomed the new structure.

17. (SBU) Filling the new position is Alexandr (Sasha) Vondra, former Foreign Minister, former Czech Ambassador to Washington, and currently an ODS Senator. Vondra's choice was something of a surprise, as he is best known as an expert on and supporter of transatlantic issues and has not worked in any detail on EU affairs. Local EU diplomats have taken a wait-and-see approach before reaching judgment on the appointment. For his part, the MFA's Pech believes Vondra's appointment makes sense given his political weight and experience, especially in light of domestic political sensitivities on many EU issues. As a practical matter, it helps that Vondra has both long experience with the MFA and very close ties with the current Foreign Minister, Karel Schwarzenberg. The process of adjusting to the new coordination structure is likely to be relatively smooth.

18. (SBU) DPM Vondra has decided to organize his office into two sections. Former Deputy Finance Minister Jana Hendrichova will oversee the "EU Presidency Preparations" section, responsible for (1) communication with the public, (2) secretariat role, and (3) public procurement. Former Defense Minister Jiri Sedivy will oversee the "General Affairs" section, responsible for (1) conceptual analysis (including the Lisbon Agenda), (2) intergovernmental coordination (EU committee meetings), and (3) communitarian law (ECJ issues). There are currently only eight people in DPM Vondra's office, including the DPM. However, each section will have 20 people by June 2007, with the goal of reaching 30 by end-year.

19. (SBU) In Pech's office at the MFA there are 16 positions, only 12 of which are currently filled, and of that number

only six are diplomats. He conceded that his Department was still organized to reflect the Czech EU accession process, and he is looking at a realignment that would divide the Department into two sections -- political and technical/sectoral issues -- in anticipation of the EU Presidency. He also noted that there are on-going efforts to train Czech diplomats on EU Presidency management, including two diplomats currently assigned to the German MFA. Pech said that member states such as Ireland and the Netherlands have offered to provide advisors during the Czech presidency.

-- "REMOVING BARRIERS" WILL BE PRESIDENCY THEME --

¶10. (SBU) Denisa Haubertova, an advisor in DPM Vondra's office, told emboff January 31 that the likely theme for the 2009 Czech EU Presidency would be "Removing Barriers." She explained that this theme had been proposed by the Czech Mission to the EU, and that "barriers" would be interpreted broadly: trade barriers, information barriers, bureaucratic barriers, etc. She also mentioned that the following items were likely to be included in the Czech Presidency agenda: competitiveness, Common Agriculture Policy (CAP) reform, budget reform and enlargement.

¶11. (SBU) At the MFA, Pech noted the following key events during the Czech EU Presidency: the U.S.-EU Summit, European Parliament elections, and European Commission re-organization/reform including selection of a Commission President according to the Nice Treaty. He said that the current draft of Czech EU presidency priorities included: competitiveness (i.e. liberal trade policies), energy security, budget reform (i.e. CAP reform), transatlantic relations, justice and home affairs (e.g., immigration and organized crime), and institutional reform (i.e. the Commission). Pech admitted this was too ambitious of a list, an observation shared by other member states, and indicated further prioritization would take place in due course. On enlargement, Pech noted that the Czechs would be eager to welcome Croatia into the EU during the Czech Presidency given the geographical importance of the Western Balkans to the Czech Republic.

¶12. (SBU) Pech also flagged that the Czechs are likely to be "cautious" on additional transfer of competencies to Brussels. When pressed on the issue, he conceded he was alluding to Justice and Home Affairs issues and not/not energy security, where the GOCR is pushing for a united EU position. During a January 25 meeting with Emboff, Ministry of Interior Director of the International Relations and European Integration Department Blanka Rybonova said that

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while internal market issues were likely to take priority during the Czech Presidency, JHA would likely lead the list of second tier issues. Specifically, Rybonova highlighted that the current Hague Program focusing on freedom, security and justice issues expires in 2009. She said that the Czechs are one of six countries currently meeting to discuss a framework for what she hoped be known as the follow-on "Prague Program" that would be a roadmap for 2009-2014. Rybonova also noted that the postponement of the second generation Schengen Information System (SIS II), which was supposed to be ready by 2006, is currently scheduled to be completed in 2009. As a result, SIS II implementation would likely be on the list of "to do" items for the Czech Presidency.

GRABER